



U.S. Department of Justice

United States Attorney

Eastern District of Pennsylvania

615 Chestnut Street

Suite 1250

Philadelphia, Pennsylvania 19106-4476

(215) 861-8200

October 4, 2002

NEWS RELEASE

United States Attorney Patrick L. Meehan today announced the filing of an Indictment¹ against William Kenneth Garrett, Francis German, Thomas Massara, Dawnell Griffith, Kimberli Lange, Larry Dobson, Marsha Dobson, Karen Beam, Bertrand Durham and Alan Schall for conspiring to commit mail fraud and mail fraud. According to the indictment, from January 1995 through February 1999, these defendants and others engaged in a scheme to induce individuals, who attended franchise/trade and small business opportunity shows at venues throughout the United States and Canada, to pay either \$4,999 or \$5,999 to become brokers with Universal Liquidators. The scheme grossed more than \$8.4 million dollars in sales for Universal Liquidators.

As a Universal Liquidators broker, it was represented that individuals would be able to avail themselves of Universal Liquidators' relationship with manufacturers of brand-name merchandise who were purportedly making their surplus and liquidated merchandise exclusively available to Universal Liquidators and its brokers at 70 to 90 percent below retail price, such as Sony televisions for \$35, big screen Magnavox televisions for \$300, Levi's jeans for \$1.85, and Mercedes Benz automobiles for \$20,337. It was represented that, in addition to Universal Liquidators providing the brokers with daily listings of the available merchandise, Universal Liquidators would provide the brokers with lists of buyers who were willing to buy the merchandise, so that the broker would not have to engage in any cold calling, and that the only thing would have to do is match available merchandise with any one of the willing buyers and factor in a profit for themselves.

Universal Liquidators was based in Fort Washington, Pennsylvania and was run on a daily basis by William Kenneth Garrett. Francis German held himself out and allowed others to hold him out as president of Universal Liquidators and was purported to have graduated from Auburn University and the University of Pennsylvania Wharton School of Business and vast years of experience brokering the sale of surplus and liquidation merchandise. Thomas Massara, Dawnell Griffith, Kimberli Lange, Larry Dobson, Marsha Dobson and Karen Beam were Universal Liquidators' salespersons. According to the indictment, they made false representations as to

¹An Indictment or Information is an accusation. A defendant is presumed innocent unless and until proven guilty.

what Universal Liquidators had to offer and about themselves as accomplished brokers or surplus and liquidated merchandise through Universal Liquidators. They each received commissions of approximately 25 percent of the \$4,999 or \$5,999 fee paid by brokers who signed up to become Universal Liquidators brokers following their trade show sales presentations. At the trade shows, the salespersons advised prospective brokers to contact Karen Beam, along with Bertrand Durham, who were purported to be successful Universal Liquidators brokers, but were in fact paid references, otherwise known as “singers,” for Universal Liquidators and engaged in telephone calls with the prospective Universal Liquidators brokers, during which they represented that they made false representations about the opportunities afforded by Universal Liquidators and about themselves as successful Universal Liquidators brokers.

Alan Schall was the owner of the National Business Opportunity Bureau (NBOB), a privately-held corporation in Georgia designed to provide the public with accurate information on companies within the franchise and business opportunity industry. The NBOB was supposed to provide information, including a telephonic and written report, about all complaints reported to the NBOB about its registered companies, including Universal Liquidators. According to the indictment, Alan Schall had an arrangement with William Kenneth Garrett in which Schall caused the NBOB to falsely represent and conceal complaints reported to the NBOB about Universal Liquidators.

In addition to the conspiracy and mail fraud charges, William Kenneth Garrett has also been charged with engaging in money laundering with proceeds from the fraud scheme.

INFORMATION REGARDING THE DEFENDANTS

NAME	ADDRESS	AGE OR DATE OF BIRTH
William Kenneth Garrett	Philadelphia, PA	11/26/28
Francis German	2820 Wooded Glen Court Indianapolis, IN	9/8/52
Thomas Massara	337 W. 5th Avenue Conshohocken, PA	

Dawnell Griffith	511 Scott Boulevard, #205 Castle Rock, CO	5/15/48
Kimberli Lange	118 East Ellsworth Avenue Anaheim, CA	6/29/66
Larry Dobson	1034 Burnell Drive Berea, KY	6/28/55
Marsha Dobson	1034 Burnell Drive Berea, KY	3/22/49
Karen Beam	17632 N. 45th Avenue Glendale, AZ	8/11/48
Bertrand Durham	3877 Alice Lane Las Vegas, NV	9/20/43
Alan Schall	6960 Airport Blvd., #B-15 Mobile, AL	10/10/43

If convicted, the defendants face the following maximum possible sentences:

Garrett - 1,750 years imprisonment, a \$47,250,000 fine, and five years supervised release
German - 30 years imprisonment, a \$1,000,000 fine, and five years supervised release
Massara - 240 years imprisonment, an \$8,000,000 fine, and five years supervised release
Griffith - 120 years imprisonment, a \$4,000,000 fine, and five years supervised release
Lange - 30 years imprisonment, a \$1,000,000 fine, and five years supervised release
L. Dobson - 120 years imprisonment, a \$4,000,000 fine, and five years supervised release
M. Dobson - 120 years imprisonment, a \$4,000,000 fine, and five years supervised release
Beam - 30 years imprisonment, a \$1,000,000 fine, and five years supervised release
Durham - 30 years imprisonment, a \$1,000,000 fine, and five years supervised release
Shall - 30 years imprisonment, a \$1,000,000 fine, and five years supervised release

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The case was investigated by the United States Postal Inspection Service and has been assigned to Assistant United States Attorney Anita Eve.

**UNITED STATES ATTORNEY'S OFFICE
EASTERN DISTRICT, PENNSYLVANIA
Suite 1250, 615 Chestnut Street
Philadelphia, PA 19106**

**Contact: RICH MANIERI
Public Affairs
215-861-8525**

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